



Digital Ireland

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PRESSING ALL THE RIGHT BUTTONS

The Media, Entertainment and Communications sector is rapidly emerging as Ireland's next economic success story. Ireland has already established a world class reputation in the specialist fields of Life Sciences, Financial Services, as well as ICT and Software, and is a location of excellence for up to 1,000 multinational companies.

Now, that instinct to identify and then occupy an emerging business or niche market, such as the digital media sector, ahead of rivals is being applied to this fast evolving business platform. In the condensed timeframe of the last few years this sector has grown to become a key area in the international services sector within the Irish economy.

The success of the Media, Entertainment and Communications sector in Ireland is driven by a range of factors distinctive to the Irish economy, including an embedded Foreign Direct Investment (FDI) community of world leading brand companies in the IT, Communications and Software sectors, support for R&D activity, a young (40 per cent of the population are under the age of 25) well educated, highly skilled and flexible workforce and a world class pro-enterprise environment.

Ireland combines the benefits of a well founded, English speaking base with a full multilingual capability reflecting the new multi-culture reality of modern day society. More than 160 languages are now spoken in Ireland putting a reservoir of linguistic skills at the disposal of investors with global markets.

Add to this a unique culture of innovation and imagination, an instinctive ability to think and act creatively, and you have a winning formula that draws on one of Ireland's greatest natural resources - The Irish Mind.

DIGITALLY FRIENDLY

Ireland is an established and attractive international location for investment in information and communications technology. Global ICT brands develop, market and manufacture a wide range of leading edge products in Ireland while seven of the worlds top 10 ICT companies, including: Dell, IBM, Intel and Microsoft have a substantial base in Ireland.

The scale of the FDI by the ICT community alone has helped turn the country into one of the world's biggest exporters of software, valued at over US\$19 billion annually.

Almost without exception these blue chip brands have all expanded their mandates to take advantage of Ireland's unique set of competitive advantages. Functions such as software development, R&D, technical support, shared services and supply chain management are increasingly included in the range of operations carried out by these companies in Ireland.

If these market leaders have created a high technology environment and legacy then it is the digital media sector that stands to share in that inheritance. The sector is transforming the traditional information technology, media and entertainment industries and creating new opportunities in the ever-evolving knowledge-based society and eco-system of modern Ireland.

Apple, for example, established a facility in Cork in 1980 to manufacture the company's Apple Macintosh PC. Today, the Cork campus has 1,000 people involved in a highly integrated operation for manufacturing, product assembly and test localization and distribution as well as software quality assurance and research and development. Apple are actively pursuing the home entertainment and digital content market with a strong focus on the end user.

Earlier this year, Amazon expanded its operations in Ireland by opening a European Customer Services Centre in Cork, adding to its existing corporate mandate and workforce of 1,000 plus. It is now home to a European data centre and a Global Systems and Network Operations Centre that hosts the applications, software and databases on behalf of the company's entire European operations.

Google, the world's leading Internet search company, established an EMEA operations centre in Dublin four years ago. With a workforce of more than 1,100 employees from over 40 nations it provides a range of technical, sales and operations support, financial and shared services to Google's customers in over 35 countries.

Rival internet search engine brand Yahoo opened its European Operations Headquarters in 2005 in Dublin. The Irish operation is responsible for Yahoo's European business in three main areas - a web hosting

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DIGITAL MEDIA ACTIVITIES

Digital media companies in Ireland cover a broad range of activities such as:

- content production
- web design
- digital video
- data management
- industrial design
- telecommunications
- e-learning
- internet service providers.

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centre, supporting databases for Yahoo's family of websites, a customer support centre, comprised of a multi-lingual support service and website editorial team as well as a shared services centre.

The Digital Hub is Ireland's flagship project in the digital media sector.

Located in one of the oldest parts of the capital's historic cityscape, the Hub was set up over five years ago to support the development of digital media enterprises with the potential to move the economy up the technological value chain. Supported by several enterprise driven State agencies and third level institutions the Hub business model provides state-of-the-art start up facilities for early stage, fast growth companies and established operators.

The Hub, with the on-site National Digital Research Centre, is a centre for world leading research and provides doorstep access to the creative, technological, research and educational sectors in the development of digital media products. Dozens of companies, a combination of established companies and start up operations, are clustered at the Hub, providing services in a wide range of activities including, animation, multimedia production, games, internet and mobile media technologies.

Tenants at the Digital Hub include Amazon, France Telecom and animation company Kavaleer Productions which includes the BBC amongst its clients and Havok.

By 2012, this city centre campus will employ more than 3,000 digital media workers, have contributed to the urban regeneration of one of the city's oldest districts and by reaching out to the surrounding communities and society groups will have helped in the transform of citizens into digital denizens as well.

WORKING HARD TO PLAY HARD

The digital space is also now seen as a recreational amenity and facility for millions of consumers. A generation of young people who have grown up with digital technologies now regard it as valid a form of publishing and entertainment as other traditional mainstream media.

Gaming, for example, is one of the engines driving demand for a more comprehensive digital lifestyle. Price Waterhouse Coopers has estimated that

worldwide expenditure on computer games will hit \$55 billion by 2010, up from \$25 billion in 2004.

Ireland is well positioned to tap into that expanding market whilst making a significant contribution to the development of this growth industry.

Microsoft's largest development centre outside Seattle is based in Dublin.

The company's European Product Development Centre (EPDC), with a workforce of 500, is responsible for the globalization and adaptation of over 100 software products from American English so that they meet the cultural, linguistic and functional requirements of EMEA markets.

Momentum for Ireland's reputation as an exciting location for brand leaders in the world of digital publishing is growing apace. Blizzard Entertainment, a division of Vivendi Games, very recently established a European Support Centre in Cork while Activision Inc also set up a Games Localization Centre in Ireland.

Earlier this year, Japanese Online company Gala Inc selected Ireland for its European HQ earlier this year. According to Group CEO, Mr. Satoru Kikugawa his company's decision was motivated by several competitive advantages.

"Ireland has a strong internet infrastructure and a young, educated and creative population. There is a strong supply of software, localization and technical expertise here which is essential for our potential growth and expansion in the European market."

The potential for indigenous gaming companies is evident from the acquisition of Havok by Intel earlier this year. Havok started life as a technology company on the campus of Trinity College in 1998 and was built on research into real-time physics simulation software. Today it provides middleware and interactive animation software services for digital media creators in the games and movie industries and has offices in San Francisco, San Antonio, Stockholm, Calcutta, Munich, and Tokyo. The company has recently been honoured with a prestigious US National Academy of Television, Arts & Sciences Award for their work on pioneering physics engines which makes games more realistic than ever before.

In September, Trinity Venture Capital sold its stake in the specialised technology company to Intel as part of a \$100 million deal.

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Ireland has, per capita, the highest percentage of home penetration of games consoles in the world, second only to Japan.

Academia too is contributing in other ways to the requirements of this expanding niche market. At the start of this current academic year Dublin's famed Trinity College enrolled students on its newly devised one-year full-time Masters Degree in Interactive Entertainment Technology. The course provides students with a state-of-the-art learning environment including the Microsoft sponsored XNA Gamelab. The course couples the very latest technology with classes given by world experts in computer graphics and animation, computer vision, networking and distributed computing. Students have access to the very latest tools and technologies in the industry.

According to Course Director and former co-founder and Chief Technology Officer of Havok Dr. Steven Collins Ireland is well positioned as a successful international technology location. "If we can continue to grow the skills and knowledge available in Ireland in key areas, building on our research strengths, we have the ability to make Ireland a specialised hub for this business."

A COMMUNICATION NATION

Ireland has one of the most advanced and competitive international telecommunications infrastructures in Europe. The telecommunications market is fully de-regulated with a highly competitive environment.

Innovation and experimentation are core components of the telecommunications outlook and activity in Ireland. Take mobile communications as an example of the industry's approach.

The largest mobile telecommunications network operator in the world, Vodafone Group Plc, last year established a Centre of Excellence in Dublin with the express objective to increase innovation within the Group. By partnering with local innovators, Vodafone is co-developing new products and services that can be jointly brought to market and potentially offered to Vodafone's global customer base, totalling 180 million.

The Irish market also provides a unique and innovative environment for telecommunications carriers. Global players such as Vodafone and O2 can experiment with and trial run new products and services

using dedicated 'test bed spectrums', set aside for this sole purpose by the Irish regulator ComReg.

Large scale investments in recent years have resulted in state-of-the-art optical networks with world class connectivity. The Global Crossing initiative is just one example of how the island of Ireland overcame geographical limitations using technology. An undersea fibre optic cable system links Ireland to all the major cities of Europe and the rest of the world.

This vital connectivity to the greater commercial and consumer community, alongside the presence of other international carriers such as Cable & Wireless, British Telecom, Eircom and Hibernia Atlantic has allowed the flow of ebusiness and internet traffic into and out of the Irish marketplace to reach world class proportions.

The capability to manage this volume of data is provided by an impressive array of Internet Data Centres (IDCs). These advanced energy intensive facilities with high-speed connections to the internet backbone allow telecommunications carriers to interconnect and other IT intensive companies to store and exchange data. IDCs form a critical part of the value chain of the IT services industry, as they are necessary to attract and develop higher value IT activities which are being increasingly consolidated and outsourced by companies.

Ever greater IDC capability is being added to the Irish infrastructure. Digital Realty Trust, which operates in 26 markets throughout North America and Europe has added two data centres in Dublin to its global network. Irish investment is also strengthening the domestic capability. More than \$70 million is being invested by Rackfloor into a 'new breed' of environmentally and commercially sustainable mission critical data centre currently being built in Limerick.

PRESSING ALL THE RIGHT BUTTONS

By pooling the country's assets, resources and talents and combining them with a unique and positive outlook, Ireland has been, and will continue to be, highly successful in creating an influential presence in the new and emerging territory of the digital space.

WRITTEN BY LLOYD GORMAN

Ireland is gaining momentum as a preferred location for leading games manufacturers.





**The Irish mind.
An abundant supply of that rare commodity you'll
need to bring your business to peak performance.**

The Irish. Creative. Imaginative. And flexible. Agile minds with a unique capacity to initiate, and innovate, without being directed. Always thinking on their feet. Adapting and improving. Generating new knowledge and new ideas. Working together to find new ways of getting things done. Better and faster.

This flexible attitude pervades the ecosystem. Nowhere else will you find such close, frequently informal, links between enterprise, education and research facilities and a pro-business Government. Connected by a dynamic information infrastructure. In Ireland, everything works together.

With its innate knowledge and flexibility, the Irish mind can be the pathway to profit for your business.
To learn more, contact the Irish Government's inward investment agency, IDA Ireland, 345 Park Avenue, New York on 212 750 4300, e-mail idaireland@ida.ie or log on to www.idaireland.com